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Attachments: Sitrick v. Jowdy Complaint CA.pdf
Subject: More Jowdy background flavor

5 days before the
Kenner 2013
arrest...

In 2004, Jowdy had approached Kenner about changing locations on the primary Diamante golf destination. Although Jowdy had received approximately \$10 million in North Baja at El Rosario, Jowdy was convinced that a presence in Cabo San Lucas was necessary to expose any and all of our potential investors to our product, Diamante.

At that time in 2004, Jowdy confided in Kenner that he was virtually out of money personally. He explained that he had a significant real estate holding in Georgia that would be sold in the very near future for several million dollars. It was called Startime entertainment and jointly owned with his brother Taffy Jr.

Jowdy continued to use the pending sale of that real estate project in Georgia to support his claims to repay all of the short-term loan funds requested from Tanner and Carr Associates. The sale of StarTime entertainment never happened, as far as Kenner knows.

In fact, Jowdy had borrowed approximately US\$100,000 from Kenner and Kenner Associates is part of a revolving line of credit that Jowdy secured with Kenner and Associates in order to sustain his development desires in Cabo San Lucas and maintain other financial obligations that he had in Mexico.

Between the summer of 2004 and the spring of 2006, Jowdy had borrowed approximately 7.5 million USD from Kenner and Associates and have managed to repay approximately 2 million USD. In fact, in the spring of 2006, just prior to the eventual closing of the Cabo San Lucas deal with Lehman Brothers, Jowdy had sent a flurry of repayment to Kenner (~\$240,000) in order to keep Kenner "believing" Jowdy was on track to return everything he had promised.

The closing of the Diamante – Cabo project was delayed on several occasions for a myriad of reasons, typically blamed on Lehman Brothers by Jowdy.

Kenner and his associates had "invested" approximately \$5 million into the Cabo San Lucas project and had loaned Jowdy an unpaid balance of approximately 5.5 million USD in the revolving line of credit at that point. At the closing, all of the closing documents were prepared by Jowdy and his brother-in-law, William Najam [a former Massachusetts attorney]. All of the final documents, and details were delivered to Kenner with a standard line that "this is what Lehman Brothers will accept" from Jowdy.

Jowdy convinced Kenner that three deal changes would have to be made in order for Lehman Brothers to go through with their financing. First, Kenner would have to agree to giving up his co-manager status. Second, Kenner would have to acknowledge that Jowdy needed a larger percentage of the deal than he original 20% agreed-upon portion for managing the project with "no money in". This was based on the alleged Jowdy representation that Lehman Brothers demanded that the Managing Member needed a 25% or greater ownership to have "skin in the game". Third, prior to the February closing, Jowdy confirmed that he would not be able to receive a cash out position with Lehman Brothers for collateralizing his equity due to internal Lehman Brothers restrictions. Kenner found out later 6 months later that this was a lie based on Kenner's next closing with Lehman Brothers in Hawaii. Kenner and his associates did receive a cash out premium from that deal. That eroded a lot of Kenner's "trust" in the Jowdy/Bhatti relationship. Jowdy and his associate and Lehman Brothers, Masood Bhatti, convinced Kenner that Jowdy would be able to repay all of the outstanding loans over a one year period of time out of commissions generated from early sales and paid into a "slush fund" which was typical of Lehman Brothers transactions according to Bhatti. Kenner had no choice but to agree to all of the Jowdy/Bhatti representations, otherwise the investors' opportunity for equity in Cabo would have vanished and the expectation of repayment of the Jowdy loan would have diminished greatly.

Michael Peca confirmed this to the
2011 SDNY GJ (3500-MP-5 at 30)

The closing at Diamante occurred in March 2006. For the following six months, Jowdy was very vacant in his communication with Kenner. Prior to the closing, Jowdy would communicate with Kenner several times a day, seven days a week. When Kenner would confront Jowdy about the lack of communication and lack of construction activity at Diamante, Jowdy would refer to the strength of his relationship with Masood Bhatti and Lehman Brothers. Jowdy would confirm that Lehman was very happy with the progress so far.

In December 2006, Diamante held a week long welcome party for approximately 100+ guests. The intention was to secure many of the initial investors in the 66 golf villas ranging in price from approximately 1.7 million USD to 3 million USD. Kenner and the director of golf, Robert Gaudet had secured approximately 30 presales at that time. Despite repeated requests to Jowdy, William Najam and Ken Ayers, Kenner and Gaudet were unable to secure real estate contracts to close the purchase and sales of the new golf villas.

Instead, in the spring of 2007, Kenner found out that Jowdy, Masood Bhatti from Lehman Brothers and Jowdy's Diamante resources [all of the staff at his disposal], were flying around North America looking for additional projects to purchase with Lehman Brothers' money. These projects were separate from Jowdy's Diamante Cabo activity. None of these activities included sharing equity with any of the investors who had invested or loaned over \$25 million cash with Jowdy since 2002. In the summer of 2007, Jowdy closed two additional transactions at Larel Cove, Tennessee and Boot Ranch in Texas with Lehman Brothers as the financier. Each of those new deals met their ultimate demise in 2008 with the Lehman bankruptcy and new partners who have been defrauded by Jowdy. In 2008, Jowdy for the first time since closing 2 1/2 years earlier in Cabo, returned to the Cabo San Lucas site fulltime and began developing with no other options on his plate. Eventually, in 2009, Jowdy opened the first golf course on the project over 2 1/2 years late and 9 million USD over budget.

This is like paying
\$1 million for a
Honda Accord!!

In the US Jowdy had negotiated with Kenner and a middleman to relinquish his control, the majority of his ill-gotten equity and all of his debt to Kenner and Kenner Associates [totaling approximately 8 million USD] over an 18 month negotiation. After the Lehman bankruptcy, Jowdy and his associates, which included his new friend, former FBI director Louis Freeh, decided to forgo Jowdy's negotiated departure and take a hard stance that Kenner and his associates would have to sue Jowdy in order to regain any participation in his prior Jowdy investments including Diamante Cabo.

From that time in 2008, Jowdy has spent millions and millions of dollars of Cabo san Lucas budget funds on his personal legal defenses in Mexico, California, Nevada & Arizona in order to stay out of court, and to divert the media from the true frauds at hand. Jowdy has testified under oath on several occasions that he believes the Cabo project "needs" to pay for its personal defenses in order to protect the integrity of the projects. ON AN INTERESTING NOTE FOR THE USA, I am not sure how the IRS in the USA doesn't have interest in Jowdy's pad-for benefits that have gone untaxed.

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Jowdy was actually sued in 2013 in California by a PR firm, Sitrick and Company [BC901583] attached, for non-payment of ~\$50,000 of PR fees. In the case, Tom Harvey is noted in the Complaint as the person who signed for the PR engagement. Harvey is the mastermind behind protecting Jowdy's thefts from prosecution in the USA.

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The only case which went to trial was Glen Murray v. Jowdy in Nevada which ended in a \$1 million Judgment for Murray and Kenner being found not responsible for any wrongdoing in Jowdy's third-party counterclaim against him.

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Since that day, Jowdy and his associates have gone on a slander campaign, witness intimidation campaign, and employed racketeering acts in their efforts to maintain their control and access to the diamond funds in Jowdy.

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